

EXECUTIVE SUMMARY

Serendib Hospitals Corporation PLC is a leading tertiary private healthcare facility in Colombo Sri Lanka and its food and beverage services plays a vital role in providing nutritious and hygienic meals to the patients and staff. While analyzing cost reduction methods for food and beverage department amidst the COVID -19 pandemic it was revealed that there is a significant rise in the food wastage and the food waste cost incurred through the staff catering division leading to rise in operational cost. The food waste cost is estimated to be 46% of the overall loss of 20.9 Million in the staff catering division for the 2019 financial year. Further analysis with staff interviews showed dissatisfaction among staff on the present staff food program contributing to the wastage and many other significant areas needing improvements were highlighted.

During the analysis by the author, it was identified that the key root causes for rise in food waste cost are being recognized as issues in the food production process, food service system and due lack of staff awareness and training on food wastage. Further it was shown, not having a proper forecast for production led to wastage at the staff kitchen. Over portioning by staff at the food service system as well as taste related matters in the meals provided led to plate wastage. Certain behaviors and attitudes of staff also has contributed towards the escalation of the food wastage and thereby the cost. Meticulous planning on identifying measures for solving these issues and execution becomes a vital measure in working towards reducing unwanted costs.

Literature reviewed on the key problem area as well as the identified root causes revealed many articles on food waste cost reduction as well as the sub components. In many reviewed articles, shortfall in demand forecasting, over portioning and plate wastage are identified as main contributor and measures such as portion size control, training and awareness had predicted a positive impacts towards food waste cost reduction. Studies done in hospitality sector as well as healthcare catering segments in many European as well as South east Asian organizations were reviewed and methodology in development of solutions were identified and applied while developing solutions to the present problem and study framework developed accordingly. UNFAO, EPA (Environment Protection Agency–USA) and WRAP (Waste and resource action program) guidelines were referred for complete understanding of the project topic from a global platform.

The objective of this project is to reduce the present annual food waste cost of 9.63 Million by 50% within a year of implementation through the measures suggested. Many useful techniques were identified and discussed which will aid in the achievement of the sub objectives in production process through demand forecasting, food serving system through process improvement and staff awareness through training and thereby coheres in achieving the main overall objective of food waste cost reduction. The project components, solutions and a project team are identified and tasks are allocated to each member of the team. Cost of project improvements and the need in allocation of resources were identified with cost benefit analysis. The project costs 1.27 Million with a net benefit of 4.61 million thereby projected to have a cost benefit ratio of 4.61.

The project outcome of food waste cost reduction will be focused on decreasing the loss to the company from staff catering division and forecasted to increase the customer (staff) satisfaction through enhancing the variety and quality of food provided at staff dining rooms which will indirectly contributes to staff motivation and employee retention at Serendib Hospitals Corporation PLC. Solutions are discussed with reference to the key literature extracts from the study and recommendations were given by the author covering several steps in the entire process such as reduction of food waste at inventory level, though improved demand forecasting, increase the quality of food, measures preventing over production at the kitchen and over portioning by staff and creating consumer awareness to prevent the wastage. Timelines are defined by the author in implementation of the identified solutions as immediate, short term and midterm implementable solutions.